

VZCZCXRO0883
OO RUEHCN RUEHGH
DE RUEHHK #2239/01 1501004
ZNY CCCCC ZZH
O 301004Z MAY 06
FM AMCONSUL HONG KONG
TO RUEHC/SECSTATE WASHDC IMMEDIATE 6968
INFO RUEHOO/CHINA POSTS COLLECTIVE PRIORITY
RHEHNSC/NSC WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 HONG KONG 002239

SIPDIS

SIPDIS

DEPARTMENT FOR EAP AND EAP/CM
NSC FOR DENNIS WILDER

E.O. 12958: DECL: 05/30/2031
TAGS: [PGOV](#) [PREL](#) [PINR](#) [CH](#) [HK](#)
SUBJECT: VICTORY FOR DONALD TSANG: LEGCO SUBCOMMITTEE
APPROVES TAMAR PROJECT

Classified By: E/P Section Chief Simon Schuchat; Reasons 1.4 (b, d)

11. (C) Summary: On May 29, the Legislative Council (Legco) Public Works Subcommittee voted in favor of the Hong Kong Government's long-contested HKD 5.1 billion (USD 660 million) proposal to construct a new Government headquarters complex at the Tamar waterfront site. If, as expected, the Legco Finance Committee also approves the plan on June 23, then construction will begin in 2007 for completion by 2010. With the May 26 announcement by the Democratic Party that it would support the plan, the only remaining opponents in Legco are the six Civic Party members and a few independent democrats, most notably Kwok Ka-ki. The project's opponents have objected to the plan's high financial costs, potential impact on traffic and air quality, and use of prime commercial land for government offices. They also have claimed that the entire design and approval process has lacked transparency and public consultation. At this time, however, the project's momentum appears irreversible; on May 30, Kwok told us pessimistically that only "pressure from China or from the Hong Kong people" could force the Government to reverse course.

12. (C) Comment: Since his inauguration last year, Chief Executive Donald Tsang has viewed the Tamar project as one of three key goals for his abbreviated two-year term. With Legco's rejection of his constitutional reform proposals and the indefinite shelving -- in the face of strong, broad-based opposition -- of his concept for the West Kowloon Cultural District, Tsang pushed hard to gain Legco's backing for his Tamar plan, reaching out across the political spectrum to democrats and pro-Beijing populists. End Summary and Comment.

13. (SBU) On May 29, 16 of the 18 members of the Legco Public Works Subcommittee voted in favor of the Government's long-contested HKD 5.1 billion (USD 660 million) proposal to construct a new Government headquarters complex at the Tamar waterfront site in Hong Kong's Central district. The Democratic Party (DP), the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB), the Liberal Party (LP), the Alliance, and the Federation of Trade Unions members all voted in favor of the proposal, while two lawmakers from the Civic Party (CP) voted against. The next step in the approval process will be a June 23 vote for final endorsement in the Finance Committee. If that vote succeeds as expected, then construction would begin in 2007, with completion by 2010. Although support for the project from the LP, Alliance, and FTU has been solid for some time, the DAB and DP are more recent converts. In March, as its relations with the Tsang improved, the DAB dropped its insistence on moving the project to the old Kai Tak Airport site in southeast Kowloon. More recently, on May 26 the DP announced it would support the project. Party Chairman Lee Wing-tat told the press that the Government had "reacted

positively" to its requests for conservation of the existing Central Government buildings and the Government Hill site.

14. (SBU) Opponents of the project have objected to the plan's high financial costs, potential impact on traffic and air quality, and use of prime commercial land for government offices. They also have claimed that the entire design and approval process has lacked transparency and public consultation. The recently formed Civic Party, with six Legco members, has been especially critical of the government's plan; on May 29, CP Legco member Alan Leong told the "South China Morning Post" that the government had overlooked rational debate and meaningful public participation and deployed a "strong arm" to secure the votes it needed. Leong also contested Chief Executive Tsang's claim that 70 percent of the people supported the project plan; he urged the government to conduct an independent poll to assess public views.

15. (C) On May 30, independent pro-democracy Legco member Kwok Ka-ki told poloff that he definitely was not satisfied with the Government's latest proposal for the Tamar project. Dr. Kwok said the plan that was released to the media on May 29 was simply "old stuff" with some "new details" regarding the harbor-front sidewalk and other minor aspects, while all the "important stuff" has not been well-addressed. As such, the Government had failed to address his concerns about additional land reclamation, general over-planning, and the excessive height and density of construction. In general, Kwok claimed that "nothing has changed and nothing has been settled since day one."

16. (C) According to Kwok, only "pressure from China or

HONG KONG 00002239 002 OF 002

from the Hong Kong people" could force the Government to reverse course on the Tamar project. He was not optimistic, however, that either source would generate sufficient pressure. China had no interest in opposing the project, while the people of Hong Kong were unlikely to "come out on the streets" over the Tamar issue. Kwok laughed when asked why the DP had dropped its opposition to the Tamar project; he said the DP did not want to be labeled as a "strong opposition party" and "probably received some gain from this decision."

Cunningham